



STATE OF TENNESSEE  
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December 10, 2013

**MEMORANDUM**

TO: State Funding Board

FROM: Tim Phelps, Tennessee Student Assistance Corporation

SUBJECT: Tennessee Education Lottery Scholarship Program Projections

Pursuant to T.C.A 4-51-111(c)(2)(A)(ii), the Tennessee Higher Education Commission (THEC) and Tennessee Student Assistance Corporation (TSAC) have collaborated with the University of Tennessee Center for Business and Economic Research (CBER) to project expenditures in lottery scholarship and grant programs through the 2018-19 academic year.

The figures below incorporate data for all lottery-funded programs, including the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Nontraditional Student Grant, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition Grant, STEP UP Scholarship, and the Math & Science Teacher Loan Forgiveness Program.

Fiscal Year	TELS Expenditures Low	TELS Expenditures Baseline	TELS Expenditures High	Recipients
2012-13 actual	N/A	\$312.0M	N/A	102,600
2013-14 estimated	\$306.1M	\$310.8M	\$329.0M	102,000
2014-15 estimated	\$316.1M	\$321.0M	\$340.0M	105,500
2015-16 estimated	\$325.1M	\$330.4M	\$353.3M	108,500
2016-17 estimated	\$334.6M	\$339.5M	\$362.9M	111,500
2017-18 estimated	\$338.7M	\$343.5M	\$367.6M	112,800
2018-19 estimated	\$342.1M	\$347.6M	\$372.4M	113,900

*\*Does not include supplemental funding of \$6.8M for TSAA and administrative costs of \$3.8M.*

These projections are based on the size of the annual high school graduating class, the scholarship take-up rate of eligible students, and the renewal rate of recipients. If further structural changes are made to the program, these projected expenditures may change.

Please let us know if you have questions or need anything further.